I. Agenda Items:
   a) The meeting time was spent reviewing water and wastewater options developed during previous PIC workshops, comparing the current Black and Veatch model with the Red Oak base model and additional options.

II. Decisions by Executive Team
The following are decisions made by the Executive Team since the 4-21-08 meeting:
   a) 5-block rate structure for residential
   b) Outside-city retail classes eliminated
   c) No separate irrigation class
   d) April 2009 target date for implementation

III. Activities Since Last Meeting
   Water Model
      a) Variable month implementation
      b) Excess-use rate design
   Wastewater Model
      a) Re-constructed from water model to be consistent
      b) Updated cost allocations
      c) Developed extra-strength surcharge calculations
   Other Activities
      a) Validated inputs
      b) Conducted staff training
      c) Developed “what-if” options

IV. Key Interests and Issues:
PIC comments and questions focused on water options comparing the current Black and Veatch model with Option 1 (the Red Oak Base), Option 2 (seasonal rates for wholesale customers), Option 3 (recover fire protection costs through fixed charges), Option 4 (all classes at cost of service), and Option 5 (Residential Advocate Hybrid allocation approach). Comments and questions also focused on wastewater options comparing the current Black and Veatch model with Option 1.
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(Red Oak Base—including I&I as a system cost), Option 2 (I&I allocated based on 50% customer and 50% flow), and Option 3 (all classes at cost of service).

V. Agreements and Action Needed:
AWU staff agreed to email the proposed water utility rates to PIC members on July 23. Also, AWU staff will email proposed times for PIC members to participate in a “net meeting” to go through a model demonstration.

Next Steps:
  a) PIC members review options and provide comments—due August 12
  b) Executive Team review of PIC member comments and decisions on remaining issues—2 weeks (depending on comments)
  c) Update model based on FY 08-09 Approved Budget—2 weeks
  d) PIC Meeting (to review “final” Executive Team decisions and “final” model)—late September or early October
  e) Submission of final comments by PIC members—3-4 weeks
  f) COS Presentation to Citizen’s Water Conservation Implementation Task Force—November or December meeting
  g) COS Presentation and Adoption by the City Council—January or early February
  h) Implementation of rates based on new COS methodology—target date of April 1, 2009.

VI. Public Comment:
There were no comments from the public.

VII. Meeting Sign-In Sheet: Attached

VIII. Topic for Next Meeting:
Review of “final” Executive Team decisions and “final” model

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